

STATE OF IOWA
PROPERTY ASSESSMENT APPEAL BOARD

Belmond Country Club, Inc.,
Petitioner-Appellant,

v.

Wright County Board of Review,
Respondent-Appellee.

ORDER

Docket No. 12-99-0591
Parcel Nos. 04-29-100-002

Docket No. 12-99-0592
Parcel Nos. 04-29-100-001

On September 10, 2013, the above-captioned appeals came on for hearing before the Iowa Property Assessment Appeal Board. The appeals were conducted under Iowa Code section 441.37A(2)(a-b) (2013) and Iowa Administrative Code rules 701-71.21(1) et al. Appellant Belmond Country Club, Inc., was represented by Chad Armour, a Belmond Country Club board member. Originally, the Country Club requested a written consideration of its appeals; however, it appeared on the date scheduled for written consideration, and the Wright County Board of Review consented to holding the hearing. County Attorney Eric Simonson represented the Board of Review. The Appeal Board now, having examined the entire record, heard the testimony, and being fully advised, finds:

Findings of Fact

Belmond Country Club, Inc., is the owner of property located at 2908 140th Street, Belmond, Iowa. The Country Club was classified commercial on the January 1, 2012, assessment. The Country Club consists of two parcels. Parcel 04-29-100-002 (Docket 12-99-0591) was valued at \$229,300, representing \$106,200 in land value and \$123,100 in improvement value. This was an increase from the previous year's assessment. Parcel 04-29-100-001 (Docket 12-99-0592) was valued at \$120,800

representing \$20,800 in land value and \$100,000 in improvement value. This was an increase from the previous year's assessment.

The Country Club protested to the Board of Review. It claimed the properties were inequitably assessed under Iowa Code section 441.37(1)(a)(1). The Board of Review lowered the assessment of Parcel 04-29-100-002 to \$187,900, representing \$106,200 in land value and \$81,700 in improvement value. It denied the protest on Parcel 04-29-100-001.

The Country Club then appealed to this Board reasserting its claim on both properties. It asserts the property's correct assessment for Parcel 04-29-100-002 is \$141,500; and for Parcel 04-29-100-001 is \$46,000

According to the property record cards, the Country Club is a 72.29 acre, nine-hole golf course that was originally built in 1970. The clubhouse, which is a one-story frame building, was built in 1973 and is 4000 square feet, with 3744 square feet of basement finish. In addition to the main clubhouse, there are several warehouse and mini-storage buildings built between 1965 and 1985 on the property.

The Country Club asserts its property is inequitably assessed. It points to the sales of several other golf courses across northwest Iowa to support this assertion. The sales include:

- Gowrie Golf & Country Club in Webster County for \$150,000 in April 2007;
- Webster City Links in Hamilton County for \$200,000 in December 2006;
- Raccoon Bend Golf Course in Greene County, for \$182,000, less \$102,000 for personal property resulting in an adjusted sale price of \$80,000 in January 2008;
- Hillside Golf & Dining in Hancock County for \$275,000 in July 2002; and
- Slippery Elm Golf Course, which sold in February 2006 for \$125,000.

An inequity claim requires that the comparable properties be from within the same taxing jurisdiction as the subject property. The Country Club has not offered any golf course properties from

within Wright Country for consideration. As such, there is insufficient evidence provided to support its claim. *See Maytag v. Partridge*, 210 N.W.2d 584, 594-595 (Iowa 1973). Further, the Country Club did not assert the assessments of other golf courses in Wright County were determined with inconsistent methods of assessment.

Two board members of the Country Club, Chad Armour and Dan Johnson, testified regarding the subject's financials. (Exhibit 5). They assert the property should be valued based on its income. First, we do not find this information relevant evidence for an equity claim. Further, they only offered the subject's actual income information and an income analysis would require market income, not actual income, to be considered. § 441.21(1)(b); *Merle Hay Mall v. City of Des Moines Board of Review*, 564 N.W.2d 419 (Iowa 1997) (holding that the assessor properly used the objective rental income of the Younkers store, rather than the actual lease amount, to establish a valuation). As such, we find their testimony to be of little value in this case.

The Board of Review asserts the assessment is reasonable. Assessor Shari Plagge testified her office revalued all Wright County golf courses for 2012 because the Clarmond Golf Course approached her about its high assessment as compared to the other courses' assessments. Plagge explained the method her office used for assessing the golf courses, which primarily relied on the Iowa Department of Revenue's REAL PROPERTY APPRAISAL MANUAL. They first used the cost approach and then determined if the end cost was within the comparable range of sales. She testified regarding the sales submitted by the Board of Review and noted these were considered when valuing the Country Club. She stated her office searched for sales that were from counties with similar populations. Regarding Exhibit B, she said Manchester has a slightly larger population – she said this one was an 18-hole golf course at the time of the sale. The Butler County sale, Exhibit C, was a 9-hole golf course. While this sale did include vacant residential lots around the course, the assessor considered this factor and discounted the sale because of it. The Estherville Golf Course, which is located in

Emmet County, Exhibit D, has a slightly lower county population. She explained that per hole the golf courses in Wright County are valued the same and the same process was used for each one. Any difference is attributable to variations in the land and the buildings they have.

Although the sales considered by the Assessor's office are outside of Wright County, the Board of Review did not offer them as equity comparables. We note that Iowa law does not require that sales comparables for an overassessment claim under section 441.37(1)(a)(2) be located in the same jurisdiction. Rather, Plagge explained the Assessor's office considered them as a check to the cost approach.

Conclusion of Law

The Appeal Board applied the following law.

The Appeal Board has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. This Board is an agency and the provisions of the Administrative Procedure Act apply. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). The Appeal Board determines anew all questions arising before the Board of Review, but considers only those grounds presented to or considered by the Board of Review. §§ 441.37A(3)(a); 441.37A(1)(b). New or additional evidence may be introduced. *Id.* The Appeal Board considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption the assessed value is correct. § 441.37A(3)(a). However, the taxpayer has the burden of proof. § 441.21(3). This burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Richards v. Hardin County Bd. of Review*, 393 N.W.2d 148, 151 (Iowa 1986).

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. § 441.21(1)(b). Market value essentially is defined as the value established in an arm's-length sale of the property. *Id.* Sale prices of the property or

comparable properties in normal transactions are to be considered in arriving at market value. *Id.* If sales are not available to determine market value then “other factors,” such as income and/or cost, may be considered. § 441.21(2). The property’s assessed value shall be one hundred percent of its actual value. § 441.21(1)(a).

The Country Club asserts the subject property is inequitably assessed under section 441.37(1)(a)(1). A protest under section 441.37(1)(a)(1) is on the basis that “said assessment is not equitable as compared with assessments of other like property *in the taxing district*.” The law is clear that for an equity claim, assessments from one jurisdiction cannot be compared to assessments of another jurisdiction. *Maytag v. Partridge*, 210 N.W.2d 584, 594-595 (Iowa 1973).

To prove inequity, a taxpayer may show that an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. of Review of the City of Davenport*, 497 N.W.2d 860, 865 (Iowa 1993). Alternatively, a taxpayer may show the property is assessed higher proportionately than other like property using criteria set forth in *Maxwell v. Shivers*, 257 Iowa 575, 133 N.W.2d 709 (Iowa 1965). The six criteria include evidence showing

“(1) that there are several other properties within a reasonable area similar and comparable . . . (2) the amount of the assessments on those properties, (3) the actual value of the comparable properties, (4) the actual value of the [subject] property, (5) the assessment complained of, and (6) that by a comparison [the] property is assessed at a higher proportion of its actual value than the ratio existing between the assessed and the actual valuations of the similar and comparable properties, thus creating a discrimination.”

Id. at 579-580. The *Maxwell* test provides that inequity exists when, after considering the actual and assessed values of comparable properties, the subject property is assessed at a higher proportion of this actual value. *Id.* The *Maxwell* test may have limited applicability now that current Iowa law requires assessments to be at one hundred percent of market value. § 441.21(1). Nevertheless, in some rare instances, the test may be satisfied.

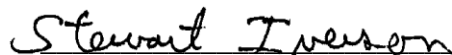
First and foremost, the Country Club did not utilize or provide any information about comparable properties located within the subject property's assessment jurisdiction and therefore is precluded by law from succeeding in its equity claim. Further, the Country Club's evidence of inequity did not establish that assessment methods were not uniformly applied and fails to meet the evidentiary guidelines outlined in *Maxwell*. Ultimately, the Country Club failed to prove inequity under either test.

THE APPEAL BOARD ORDERS the assessment of the Belmond Country Club, Inc., properties located at 2908 140th Street, Belmond, Iowa, as set by the Wright County Board of Review is affirmed.

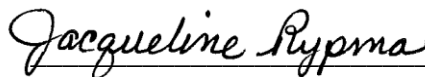
Dated this 10th day of October, 2013.



Karen Oberman, Presiding Officer



Stewart Iverson, Board Chair



Jacqueline Rypma, Board Member

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Certificate of Service

The undersigned certifies that the foregoing instrument was served upon all parties to the above cause & to each of the attorney(s) of record herein at their respective addresses disclosed on the pleadings on October 10, 2013.

By: ☒ U.S. Mail ☐ FAX
☐ Hand Delivered ☐ Overnight Courier
☐ Certified Mail ☐ Other



Signature _____